

## Communiqué

### Meeting of G8 Environment Ministers in Schwerin, 26-28 March 1999

We, the environment ministers of eight major industrialised democracies and a representative of the European Commission member, have met from 26 to 28 March 1999 in Schwerin as a follow-up to our last meeting at Leeds Castle in 1998 to discuss pressing environmental issues. We call upon the chairman to forward this communiqué to the chairman of the Cologne Summit of Heads of State and Government.

#### **In forwarding the communiqué we want to highlight the following actions:**

On **Globalisation and Environment Protection** we want to

- step up efforts to ensure a coherent global and ecologically responsive framework of multilateral agreements and institutions
- expedite international co-operation on establishment, general recognition and continual improvement of environmental standards and norms
- ensure that 'trade and environment' is incorporated as a key issue into the next WTO negotiations, including the following issues to be addressed:
  - increase transparency of WTO and its openness to civil society allowing its effective engagement
  - preserve the integrity of multilateral environmental agreements and clarify the relationship between multilateral environmental agreements and WTO rules
  - undertake environment and/or sustainable development reviews of the new round
  - strengthen co-operation between WTO and UNEP as well as other international environment related organisations and secretariats of multilateral environmental agreements
- better integrate the environment dimension into the work of international financial institutions and export credit agencies
- stress that initiatives to alleviate international debt should contribute to genuinely sustainable development
- underline that in accordance with the principle of the precautionary approach, lack of scientific certainty should not be used as a reason for abstaining from environmental action
- encourage multilateral environmental and sustainable development fora to make their reporting and evaluation of progress in implementing their decisions and agreements more effective.

On **Climate Change** we want to

- work towards timely progress in the implementation of the Buenos Aires Plan of Action with a view to early entry into force of the Kyoto Protocol; in particular on decisions for the operation of the Kyoto mechanisms and for a strong and comprehensive compliance regime
- start immediately to develop and implement the domestic measures to achieve significant greenhouse gas emission reductions and to exchange experience on „best practices,“ in policies and measures and to review progress next year
- welcome the action taken already by developing countries and support them, in particular through the financial mechanism, the development and transfer of technologies and capacity building
- promote increasing global participation in the Kyoto process over time by encouraging developing countries to abate their greenhouse gas emissions while taking full account of their legitimate need to eradicate poverty and achieve sustainable development.

On **Environment and Transport** we want to

- take effective action to reduce CO<sub>2</sub> and other greenhouse gas emissions in the transport sector.

Regarding the **Biosafety Protocol** we want to

- work towards agreement on a workable and effective biosafety protocol no later than the fifth meeting of the Conference of the Parties in May 2000.

On **UN Reform in the Environmental Sector** we want to

- seek early decision by the UN General Assembly on reform in the field of the environment, building on the recent decision of the UNEP Governing Council
- strengthen UNEP as the primary institution within the UN system for environment policy.

On **Environment and Security** we want to

- address further the relationship between environmental stress and security with the aim of preventing and reducing conflicts of environmental origin.

On the **Follow-up of former G8 Environment Ministers' Meetings** we want to

- undertake further actions to protect oceans and seas and their biological diversity, in particular by countering unsustainable fishing practices, combating marine pollution and through better co-operation and co-ordination on a global level
- take further action to effectively enforce multilateral environmental agreements, including initiatives to support developing countries
- take further action to combat environmental crime, in particular initiatives to fight against illegal trade in ozone depleting substances, hazardous waste and protected wildlife
- continue to improve our knowledge of environmental impacts on children's health in order to develop policies to protect children in light of their special vulnerability.

These actions are drawn from the following results of the meeting:

### **Globalisation and Environmental Protection**

1. Globalisation of international economic relations presents opportunities and challenges for a world-wide strengthening of environmental protection. For example, globalisation presents chances for global prosperity, could lead to faster dissemination of environmentally friendly technologies, but also to a substantial increase in world-wide transport, increased competition between various economic locations, a reduced scope for purely national solutions and an increased pressure for unsustainable exploitation of natural resources, if not accompanied by sound environmental policies.
2. We reaffirm our commitments to sustainable development taken at, and following, the United Nations Conference on Environment and Development in Rio in 1992. We will step up our efforts to ensure that a coherent global and ecologically responsive framework of multilateral agreements and institutions guarantees that globalisation supports sustainable development. We also reaffirm our strong support for the Global Environment Facility as the key multilateral financial mechanism for addressing global environmental challenges.

3. We will use our efforts to bring about an ecological modernisation of our economies towards sustainable development. The development, introduction and diffusion of new technologies and clean production processes as well as of innovative products and services provide opportunities for employment. Internalisation of external costs is important to promote integration of environmental aspects into all policies. Economic activity associated with wasteful and inefficient utilisation of resources must be avoided.

4. Global competition should never become a race to the bottom in environmental protection. We will therefore use our best efforts to expedite international co-operation on establishment, general recognition and continual improvement of environmental standards and norms. This is not just a question of appropriate legally binding international standards and norms; it also involves other instruments at international level such as voluntary environmental initiatives, agreements and codes of conduct, innovative and flexible approaches as well as greater attention to environmental performance, compliance and public reporting, for example in standardisation work by the International Standards Organisation (ISO) and other organisations. In this context we welcome UNEP's strengthened co-operation with the banking and insurance sectors. We welcome the new Environmental Handbook of the World Bank as a good starting point and call for a continuous application and improvement of these standards and encourage other public and private financial institutions to follow this example. We furthermore stress the need to apply environmental considerations to both domestic and foreign direct investments. Environmental action should be based on sound science. At the same time, in accordance with the principle of the precautionary approach, lack of scientific certainty should not be used as a reason for abstaining from environmental action.

5. The recent crises affecting the world economy have demonstrated the need for governments to take into account long term issues in decision making. International financial and economic regimes including the structural adjustment policies of international financial institutions should take greater account of the ecological and social dimensions. We call upon the international financial institutions (IFIs) to continue their efforts to make environmental protection an integral part of their strategies and business policies. In particular, the multilateral development banks should broaden their fruitful co-operation with the United Nations, increase the transparency of their decision-making, assess the environmental impact of their strategies and activities, develop coherent standards, redouble efforts to promote energy efficiency as well as renewable and alternative energy sources and significantly increase the share of such energy sources in their overall energy mix. We stress the potential relevance to environmental protection of the range of initiatives under way to alleviate the debt of poorer countries. We stress that these initiatives, if implemented, should contribute to genuinely sustainable development in those countries.

6. We reaffirm our determination that the next WTO negotiations must contribute to the achievement of sustainable development. „Trade and Environment“ is a key issue to be included and it is important that environmental concerns be fully taken into account across the WTO agreements. At the same time development issues must be an integral part of the negotiations. Transparency of the WTO and its openness to and effective engagement of the civil society are necessary for the continued public support for an open multilateral trading system. In this context the recent High Level Symposia on trade and environment and trade and development played a valuable role. We will individually or, as appropriate, collectively with other interested WTO members, conduct environment and/or sustainable development reviews of the next WTO negotiations beginning at an early stage. We will undertake to continue integrating policy formation between trade/economic, development and environment ministries and encourage all WTO members to do so. It is also necessary to intensify capacity building efforts to deal with new trade and environment challenges. While working towards a more environmentally responsive WTO, we stress the need to preserve the

integrity of multilateral environmental agreements. We consider that the relationship between multilateral environmental agreements and the WTO rules should be clarified. We must respect the right of nations to set protective standards for health and safety, the environment and biodiversity, even when they are stronger than international standards, avoiding arbitrary or unjustifiable discrimination and consistent with our multilateral obligations. Also, labelling, environmental principles, liberalisation of environmental goods, services and technologies, and the co-operation between WTO and UNEP, as well as other international environment related organisations and MEA secretariats, are important trade and environment issues. We are open to consider further trade and environment issues of concern for other countries, in particular developing countries. The world-wide liberalisation of trade and a high standard of environmental protection should be mutually supportive.

7. We welcome the work being done by the OECD with a view to strengthening procedures for taking environmental considerations into account in the operations of export credit agencies. The progress achieved in international co-ordination during the past year is encouraging, but needs to be followed up. We agree that the OECD export credit group should accelerate its work. The group should report to OECD ministers on a regular basis, including on general progress and on any progress attained on common agency action for specific projects.

### **Climate Change**

8. We reiterate the crucial importance of further action to protect the global climate and ecosystems as a core element on our path towards sustainable development.

9. As agreed at Leeds castle, during the past year our governments signed the Kyoto Protocol. We reaffirm that the early entry into force of the Kyoto Protocol is of utmost importance and decide to make every effort towards this end. We welcome the Buenos Aires Plan of Action adopted by the Fourth Conference of the Parties to the United Nations Framework Convention on Climate Change at Buenos Aires in November 1998 with its comprehensive programme of work and clear time tables for fleshing out the Kyoto Protocol and for pursuing implementation of the Convention. We underline that decisions on core elements of this action plan will need to be taken by the sixth Conference of the Parties.

10. Decisions on the relevant principles, modalities, rules and guidelines for the Kyoto mechanisms – joint implementation, the clean development mechanism and emissions trading – at the sixth Conference of the Parties (COP) are essential. These mechanisms shall be supplemental to domestic action, provide real environmental benefits and should help us to achieve greater overall reductions of greenhouse gas emissions than would otherwise occur. The rules must ensure that the mechanisms are enforceable, accountable, verifiable, open and transparent. We give priority to the clean development mechanism in the work programme.

11. We welcome the establishment of a joint working group on compliance by COP 4 and underline the importance of deciding on a comprehensive compliance system at COP 6. We reiterate our call for such a regime to be strong, efficient, effective and coherent and to include procedures and mechanisms entailing binding consequences for Parties in non-compliance with the Protocol.

12. We are determined to take the lead in combating climate change and to make every effort to change our emission trends by taking effective measures domestically to fulfil our obligations. We are making an immediate start on developing and implementing the domestic measures necessary to achieve significant reductions in greenhouse gas emissions and to show demonstrable progress by 2005. We are convinced that such reductions can be achieved cost effectively, including by tapping the existing potential of no and low cost measures in our countries. In particular, the developed

countries should recognise the role of incentives, information and other measures for promoting the development and diffusion of more efficient technologies. We will actively share our experiences on „best practices“ in policies and measures as agreed to in Buenos Aires in order to facilitate co-operation in this area under the Protocol. The next G8 Environmental Futures Forum will specifically address this issue and present a report to us next year.

13. Stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system will require much greater efforts by all countries. This will involve increasing global participation over time in the process of establishing and strengthening quantitative commitments to limit or reduce greenhouse gas emissions. We reaffirm that such a process must be guided by the principle of common but differentiated responsibilities and take full account of the legitimate priorities of developing countries to eradicate poverty and achieve sustainable development. We stress the importance of assisting developing countries to play their full part in implementing the Climate Change Convention and the Protocol, and the need for effective support to developing countries through the financial mechanism, the development and transfer of technologies and capacity building. We welcome the action taken already by developing countries and we would like to support them further in these efforts. We also welcome the intention of some developing countries in Buenos Aires to undertake further commitments to abate their greenhouse gas emissions.

14. Energy and resource productivity and the increased use of renewable energy sources necessary for this purpose offer great opportunities for our economies, help to preserve existing jobs and create new future-oriented ones, and at the same time contribute to meeting environmental objectives. We expect that CSD 7 will start the process towards adopting a sustainable energy strategy at CSD 9 outlining action-oriented recommendations for energy saving, for an increased share of renewable energy sources including solar energy, and for rational and efficient use of energy.

15. We are committed to prompt progress and close co-operation on all these issues in the upcoming negotiations. We emphasise our interest to discuss them intensively with all countries.

### **Environment and Transport**

16. We note with concern that CO<sub>2</sub> and other greenhouse gas emissions particularly in the transport sector are continuing to rise rapidly world-wide. We therefore consider it an urgent necessity to exploit the potential for emission reductions in that sector as far as possible, e.g. by reducing fuel consumption by shifting modes towards more environmentally responsible means of transport, and by introducing and increasing the use of alternative fuels and propulsion systems. We are furthermore of the opinion that the use of measures, such as fiscal and economic instruments, fuel efficiency standards and transportation demand management can make an effective contribution to improving energy efficiency and to containing and reducing emission levels.

17. We welcome the results and the recommendations of the G8 Environmental Futures Forum on 25/26 January 1999 in Bonn with regard to the development and introduction of alternative fuels and technologies and to undertake to implement them promptly.

18. We reaffirm the commitment under the Kyoto Protocol to pursue limitation or reduction of emissions from aviation and marine bunker fuels and request ICAO and IMO to redouble their efforts to pursue these objectives. Sustainable mobility requires internalisation of the external costs of transport. In this context ICAO and IMO should also consider a review of the prevailing policy on aviation and marine fuels.

### **Biosafety Protocol**

19. Biosafety remains a key unresolved issue. We regret that no consensus was reached on a Biosafety Protocol in Cartagena. Although the negotiations were suspended, we recognise that significant progress was made which provides a substantially improved basis on which to work towards agreement by the Fifth Conference of the Parties of the Convention on Biological Diversity in May 2000 – as decided by the Extraordinary COP. We also recognise the need to undertake adequate consultations and preparations to ensure a successful conclusion of these negotiations. We remain committed to achieving a workable and effective Biosafety Protocol that will protect biodiversity.

### **UN Reform in the Environmental Sector**

20. We welcome the decision of the last UNEP Governing Council on the reports of the Secretary General of the UN and of the United Nations Task Force on Environment and Human Settlements as an important step on the way to the necessary institutional strengthening of UN activities in the field of the environment. We will use our best efforts to ensure that this important matter will be concluded expeditiously by the UN General Assembly. We will support the Secretary General of the UN and the Executive Director of UNEP in their ongoing endeavours to achieve more efficient co-operation and co-ordination between the UN institutions concerned and encourage them to take action as outlined in the UNEP Governing Council decision.

21. The strengthening of UNEP – as the primary institution within the UN system responsible for environmental issues – must be the focal point of the reform. We urge UNEP to strengthen its effectiveness and to assert its role as the leading global environmental authority. The Governing Council has provided impetus in this direction in accordance with the 1997 Nairobi Declaration.

### **Environment and Security**

22. Environmental degradation, resource scarcity and the subsequent socio-political impact are a potential threat to security as they may give rise to or exacerbate civil conflicts and conflicts between states. We therefore welcome that the international institutions are attaching increasing importance to the relationship between environmental stress and security. We will examine how to further the issue of preventing and reducing conflicts of environmental origin.

### **Follow-up to earlier G8 Environment Ministers' Meetings**

23. We wish to express our grave concern at the continuing threat to the oceans and seas and their biological diversity posed by marine pollution, changes in coastal structure, unsustainable fishing practices and other threats. We undertake to make renewed and co-ordinated efforts to counteract these dangers and to promote sustainable use and preservation of the biological diversity of the seas by means of measures at national, regional and global level. We request CSD to make recommendations to better respond to these challenges, including a better co-ordination and co-operation on a global level. In order to counter unsustainable fishing practices, including the world-wide over-capacity of fishing fleets and negative ecological impacts of over-fishing and unsustainable aquaculture activities on biological diversity, we request FAO and governments, especially acting through regional and sub-regional fisheries management and conservation organisations, to enhance efforts aimed at reducing pressures. Further we urge CSD 7 to call upon all states who have not yet ratified or acceded to the 1995 UN fish stocks agreement, the FAO code of conduct for responsible fisheries, and/or the 1993 FAO compliance agreement to do so as quickly as possible, allowing their

entry into force and ensuring that the strong measures contained in these agreements can further contribute to sustainable fisheries. We request UNEP to revitalise the UNEP Regional Seas Programme and to maintain for this purpose a central body for the local secretariats of the Regional Seas Programme. We call upon the international community to vigorously implement the „Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities“ (GPA). We express our support for the International Coral Reef Initiative (ICRI) and call for wide support for the implementation of its programme for action.

24. We wish to stress once again the necessity for effective enforcement of multilateral environmental agreements and to express our serious concern at the ever-increasing evidence of violations. We undertake to implement all obligations arising from such agreements and call for the adoption of efficient procedures and measures, including in particular initiatives to fight against illegal trade in ozone depleting substances, hazardous waste and protected wildlife that can be used to ensure effective enforcement.

We are also keen to work with other countries to assist them implementing and enforcing their obligations. We therefore give our full support to UNEP's important initiative for a workshop this summer to aid policy and enforcement officers, primarily from developing countries, in their implementation of environmental conventions.

25. We support the work of the G8 senior experts group on transnational organised crime (the Lyon Group) who have concluded that organised criminal activity is involved in violation of Multilateral Environmental Agreements. We acknowledge the importance of effectively combating organised crime in the environmental sector. We commend the efforts of international organisations such as INTERPOL, the World Customs Organisation and some regional organisations involved with environmental compliance and enforcement, and encourage them to strengthen their environmental crime remit, particularly with reference to illegal trade in ozone depleting substances, hazardous waste and protected wildlife. We endorse the Lyon Group agreement to work with other organisations in a joint project designed to co-ordinate, on a multi agency basis, the identification of criminal groups engaged in this illegal activity.

26. We reaffirm that children are amongst the most vulnerable members of society to environmental threats. We recognise the progress made on children's environmental health since the 1997 Miami declaration. We welcome the World Health Organisation's initiative on tobacco smoke and children's health impacts and welcome the work of WHO/Europe in examining the linkages between health and the environment. We will build a stronger baseline of knowledge of what we are doing and what more can be done to effectively protect the health of children from environmental contaminants and degradation.